



China's Hukou system and its impact on study abroad

(Information as at August 2023)

The Household Registration system, often referred to as the “hukou system” is a residence registration system for mainland Chinese citizens. Hukou registration is administered by a city or municipality and the location of a person’s hukou determines their access to social services including health/medical services, the right to buy houses or apply to work in the public sector. The hukou system also impacts on a student’s access to education. A hukou from cities such as Beijing and Shanghai is highly valued due to the level of development and access to educational resources in those cities but it is notoriously difficult to obtain.

In recent years, many cities across China have relaxed prerequisites for acquiring hukou in their locations as a way to attract young, skilled individuals to live and work there. These preferential policies sometimes extend to include favourable treatment to those who have completed their higher education abroad. Hence, the prospect of gaining a specific residency status in a Chinese city may serve as a motivator for some Chinese students to seek overseas educational opportunities, especially at top ranked institutions.

What is hukou?

The hukou system was established in 1958 as part of the Household Registration Ordinance to help the government manage social services for residents including access to education and employment, the right to own a local vehicle or house, and access to health care. While the hukou system received some criticisms and has undergone several rounds of reform, it remains a complex and deeply ingrained aspect of Chinese society.

A person's legal residence is usually tied to the hukou location of their parents. A person can apply to change their hukou location based on the destination city's requirements; however, well-resourced cities such as Beijing or Shanghai (often referred to as "first-tier" cities) have established stringent entry requirements for incoming residents, which typically include, for example, a stable job and income in the city for consecutive years or acceptance into a competitive and limited job position.

Hukou location determines where a student can study and take exams, and many families hope to relocate their hukou to a well-resourced city before their children reach high school age in order to give them a better chance of attending a good school and gaining an advantage on the highly competitive National College Entrance Exam (Gaokao).

Hukou and College graduates

Since 2017, several citiesⁱ have announced incentives to attract young professionals, particularly “Fresh Graduates”ⁱⁱ, to relocate amid a shortage of skilled workers and a declining population – a nationwide phenomenon known as “talent war”ⁱⁱⁱ. Some students may consider hukou policies when deciding where to study, but choice of university alone does not guarantee access to hukou in a particular location.

Shanghai

In 2022, Shanghai announced^{iv} a temporary plan^v that gives Chinese graduates from top universities worldwide policy support to relocate to Shanghai, including in-quota students who gained both Chinese and Foreign qualifications through Chinese-Foreign Cooperation in Running Schools. According to the plan, those that graduate from the world’s top 50 universities can apply for Shanghai hukou right after securing a job in the city compared to the previous requirement of having to pay a set amount of social insurance for a set period; those that graduate from world’s top 51-100 universities can apply for Shanghai hukou after working in the city for six months and having paid social insurance for the same period. Prior to 2022, these privileges were only available to PhDs and associate professors from world’s top 500 universities.

The ranking of university can be based on either: the Times Higher Education Ranking, the U.S. News & World Report Ranking, QS World University Rankings, or Shanghai Ranking’s Academic Ranking of World Universities.

It should be noted, however, that the temporary plan is an addition to the current policy issued in late 2020^{vi} for Chinese graduates from overseas universities to obtain Shanghai hukou. To benefit from the streamlined hukou process, students must continue to fulfil the basic requirements outlined in the 2020 document. It is uncertain whether Shanghai’s proposal to ease hukou entry requirements for graduates of top foreign universities issued in 2022 will continue beyond 2023.

Beijing

Beijing’s Human Resources and Social Security Bureau published a new guideline on welcoming college graduates into the city in July 2021 to support the city’s strategic development plan and give service to education, health, culture, sport, and city operations.

The document state that graduates with a bachelor’s or higher degree from Chinese universities ranked in the world’s top 200 or master’s degrees from Double First-Class universities will be given priority in hukou issuance, and their hukou will not count towards the city’s annual hukou cap. However, it does not specify coverage of students who graduated from overseas higher education institutions.



Going forward

Educational aspirations for students and families in China have always centred on studying at top-ranked universities whether students are studying at home or abroad. While information on preferential policies for students studying at China's top universities has generally been available, it is a positive step to see Shanghai providing clear information for international graduates as well.

It remains to be seen how long the Shanghai policy will remain in place and whether any other provinces will implement similar approaches to talent attraction.

For further enquiries, please contact the [Education and Research Section](#) of the Australian Embassy in Beijing.

ⁱ Nanjing lowered its Hukou requirement to those with a master's degree; Zhengzhou offered up to 100,000 RMB (20,000 AUD) housing subsidy to graduates from top universities; Wuhan set up salary baselines for graduates; Chengdu allowed graduates to obtain Chengdu Hukou before securing a job.

ⁱⁱ "Fresh Graduates" is a term commonly used in China to describe those that have recently graduated from Higher Education Institutions. Fresh Graduates benefit from government-backed preferential such as special recruitment quota, special training programs and advantage over Hukou relocation. Students that graduated from overseas HEIs are also included in most of the supporting policies for Fresh Graduates.

ⁱⁱⁱ Fan Anqi, Du Qiongfang, "Major cities 'battle for talent,' rolling out incentives amid hardest graduate season." *Global Times*, 16 June 2022, globaltimes.cn/page/202206/1268337.shtml

^{iv} "Shanghai opens Hukou to students who graduated from top 50 world universities". *Global Times*, 8 June 2022, globaltimes.cn/page/202206/1267576.shtml

^v Shanghai Municipal Human Resources and Social Security Bureau (2022). 上海市人力资源和社会保障局关于助力复工复产实施人才特殊支持举措的通知(Notice of the Shanghai Municipal Human Resources and Social Security Bureau on the implementation of special support measures for talents to assist in the resumption of work and production). [online] Available at: https://rsj.sh.gov.cn/trsrc_17739/20220607/t0035_1407296.html.

^{vi} Shanghai Municipal Human Resources and Social Security Bureau (2020). 关于印发《留学回国人员申办上海常住户口实施细则》的通知(Notice on Printing and Distributing the "Implementation Rules for Applying for Permanent Residence in Shanghai for Returned Overseas Students"). [online] Available at: https://rsj.sh.gov.cn/tlxry_17298/20201130/t0035_1396472.html.